

Message Text

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ACTION EUR-12

INFO OCT-01 IO-14 ISO-00 CIAE-00 COME-00 EB-08 INR-07
LAB-04 NSAE-00 SIL-01 DODE-00 PM-05 H-02 L-03
NSC-05 PA-02 PRS-01 SP-02 SS-15 USIA-15 TRSE-00
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INFO AMEMBASSY BONN
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AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY THE HAGUE
AMEMBASSY LUXEMBOURG
AMEMBASSY ROME
USMISSION NATO
AMEMBASSY PARIS
USMISSION GENEVA
USNMR SHAPE
AMCONSUL BELFAST
AMCONSUL EDINBURGH

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USEEC ALSO FOR EMBASSY

USOECD ALSO FOR EMBASSY

E.O. 11652: N/A
TAGS: ELAB, UK, PINT
SUBJECT: UNEMPLOYMENT FIGURES SHOW DETERIORATION

SUMMARY. THE OFFICIAL UNEMPLOYMENT STATISTICS RELEASED

YESTERDAY (AUGUST 23) BY THE DEPARTMENT OF EMPLOYMENT
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REVEAL AN INCREASE IN TOTAL UNEMPLOYMENT IN THE UK OF
13,591. THIS BRINGS THE TOTAL TO 1,635,950, A NEW
POSTWAR RECORD. SEASONAL ADJUSTMENTS LEAVE THE TOTAL AT
1,413,900 IN THE UK AND 1,356,700 IN GREAT BRITAIN.
THE FIGURES WERE GREETED BY ATTACKS ON GOVERNMENT
ECONOMIC POLICY BY BOTH THE OPPOSITION SPOKESMAN ON EM-
PLOYMENT (JIM PRIOR) AND SEVERAL TRADE UNION LEADERS.

OF THE LATTER GROUP, DAVID BASNETT, GENERAL SECRETARY OF THE GENERAL AND MUNICIPAL WORKERS' UNION, HAS CALLED FOR A TRADES UNION CONGRESS CAMPAIGN TO REDUCE THE RATE OF VALUE ADDED TAX TO BOOST THE ECONOMY AND BENEFIT ALL INCOME LEVELS WITHIN THE COMMUNITY. END SUMMARY.

1. FIGURES RELEASED YESTERDAY (AUGUST 23) BY THE DEPARTMENT OF EMPLOYMENT SHOW THAT THE UNEMPLOYMENT SITUATION HAS WORSENERED DURING THE LAST MONTH. TOTAL, CRUDE UNEMPLOYMENT ROSE BY 13,591 OVER THE MONTH TO AUGUST 11 IN THE UNITED KINGDOM TO A POSTWAR PEAK OF 1,635,950, OR 6.9 PERCENT OF THE POPULATION. IN GREAT BRITAIN THE INCREASE WAS 13,665 TO A NEW TOTAL OF 1,567,131. ALLOWING FOR THE CUSTOMARY SEASONAL ADJUSTMENTS, THE UK TOTAL REACHED 1,413,900 (6.0 PERCENT), AN INCREASE OF 11,700. IN GREAT BRITAIN, THE SEASONALLY ADJUSTED TOTAL IS NOW 1,356,700 (5.9 PERCENT).

2. A BREAKDOWN OF THESE FIGURES SHOWS THAT TOTAL ADULT UNEMPLOYMENT HAS NOW REACHED 1,404,458 IN THE UK AND 1,346,785 IN GREAT BRITAIN. BOTH FIGURES SHOW A MARKED INCREASE OVER THE PREVIOUS MONTH. THERE WAS A PREDICTED FALL IN THE NUMBERS OF UNEMPLOYED SCHOOL-LEAVERS IN AUGUST, AS THE RECRUITMENT OF YOUNG PEOPLE MOVED INTO FULL SWING. OVER 20,000 SCHOOL-LEAVERS FOUND JOBS DURING THE MONTH IN THE UK, LEAVING 231,402 WITHOUT WORK

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(220,346 IN GREAT BRITAIN).

3. THESE MOVEMENTS ON AND OFF THE REGISTER LEFT THE NUMBER OF SEASONALLY ADJUSTED VACANCIES FOR ADULTS AT 154,100 IN THE UK AND 151,900 IN GREAT BRITAIN. VACANCIES FOR YOUTHS (I.E. THOSE REGISTERED AT YOUTH EMPLOYMENT AND CAREERS GUIDANCE OFFICES) FELL TO 20,421 IN GREAT BRITAIN.

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AMEMBASSY DUBLIN

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4. THESE FIGURES HAVE AGAIN CAUSED SOME EMBARRASSMENT TO THE GOVERNMENT. INCREASES IN THE UNEMPLOYMENT TOTAL ARE INVARIABLY GREETED BY CRITICAL COMMENTS BY TRADE UNION LEADERS WHO STRESS THE NEED FOR REFLATIONARY POLICIES AND INCREASED HELP FOR THE UNEMPLOYED. THERE IS PERHAPS A LITTLE MORE SUBSTANCE TO THE EARLY REACTIONS ON THIS OCCASION. DAVID BASNETT, LEADER OF THE GENERAL AND MUNICIPAL WORKERS' UNION AND TRADITIONALLY UNCLASSIFIED

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A GOVERNMENT ALLY, HAS SUGGESTED THE UNEMPLOYMENT COULD REACH 2 MILLION NEXT YEAR. HIS CALLS FOR REFLATION HAVE NOW BEEN SPECIFIED INTO A CAMPAIGN WITHIN THE TRADES UNION CONGRESS TO ACHIEVE "AN EARLY AND SUBSTANTIAL CUT" IN THE LEVEL OF VALUE ADDED TAX. SABERS WERE ALSO RATTLED BY CLIVE JENKINS, LEFT-WING GENERAL SECRETARY OF THE ASSOCIATION OF SCIENTIFIC, TECHNICAL AND MANAGERIAL STAFFS AND A REGULAR CRITIC OF GOVERNMENT POLICY. JENKINS IS A CONFIRMED OPPONENT OF INCOMES POLICY AND HAS ALREADY DECLARED HIS INTENTION TO IGNORE GOVERNMENT GUIDELINES DURING THE CURRENT WAGE ROUND. THE UNEM-

PLOYMENT FIGURES PROVIDED HIM WITH STILL MORE AMMUNITION IN HIS BATTLE TO BRING THE TRADE UNION MOVEMENT BACK TO FREE COLLECTIVE BARGAINING. AS HE SAID YESTERDAY, "THESE DEEPLY HORRIFYING FIGURES ARE THE COFFIN NAILS OF THE TWELVE MONTH RULE WHICH IS RESTRICTING COLLECTIVE BARGAINING."

5. THE GOVERNMENT HAS FEW AVAILABLE RESPONSES TO TRADE UNION CRITICISM OF ITS RECORD ON UNEMPLOYMENT. APART FROM STRESSING THE INTERNATIONAL NATURE OF THE PROBLEM, AND REMINDING BARGAINERS OF THE DANGER OF HIGH WAGE INCREASES, THE GOVERNMENT IS NOT YET ABLE TO DO A GREAT DEAL ABOUT THE PROBLEM. IN THE ABSENCE OF ANY OTHER PALLIATIVES, THE DEPARTMENT OF EMPLOYMENT AGAIN STRESSED IN YESTERDAY'S ANNOUNCEMENT THAT THE CURRENT GOVERNMENT MANPOWER PROGRAMS ARE PROVIDING ASSISTANCE FOR SOME 307,000 PEOPLE. OFFICIAL ESTIMATES SUGGEST THAT WITHOUT THESE MEASURES THE UNEMPLOYMENT TOTALS WOULD BE 225,000 HIGHER.

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TAGS: ELAB, PINT, UK
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